

A memorial association organized to (1) study and develop methods of achieving simplicity and dignity in funeral and memorial services, (2) educate and inform its members as well as the public as to the results of such study, and (3) maintain a registry for the wishes of its members in regard to arrangements following death, is entitled to exemption from Federal income tax as a social welfare organization described in section 501(c)(4) of the Internal Revenue Code of 1954.

Advice has been requested whether a memorial association is entitled to exemption from Federal income tax as a social welfare organization described in section 501(c)(4) of the Internal Revenue Code of 1954, under the circumstances described below.

The organization in question was incorporated under state law, without capital stock, as a nonprofit corporation. Its purpose is to maintain a registry for the wishes of members in regard to arrangements following death; to study and develop methods of achieving simplicity and dignity in funeral and memorial services; and to educate and inform its members and the public as to the results of such study.

Membership is available to any person who is in sympathy with the purposes of the organization on payment of a nominal membership fee. The income of the organization is derived from membership fees and donations. Its funds are expended for office rental, printing and supplies, secretarial help, and other miscellaneous expenses.

The activities of the association may be divided roughly into two categories. The first category is research study of funeral costs and procedures; the second category is the education of the public as to appropriate methods of reducing funeral costs and methods achieving simplicity and dignity in funeral services. The association conducts a research project as to the cost of funeral services. In addition, the officers and directors of the association interview medical authorities to ascertain the needs of medical science to obtain specimens and tissue for the benefit of living persons and of medical science.

After careful analysis of this material, the findings and conclusion of the association are disseminated to the general public by (1) encouraging ministers to preach sermons and lead discussions on the subject of dignity, simplicity, and economy in funerals, (2) distributing bulletins containing discussions of various aspects of the problem, and (3) addresses by the officers and directors of the association explaining to the general public methods by which simplicity and dignity can be achieved in funeral services. It is planned that study groups, seminars and discussions will be organized throughout the community on this entire subject. Officers of the association cooperate with newspaper reporters in preparing articles for publication and distribution. In furtherance of the conclusion that advance

planning will reduce funeral costs, the association has prepared a registration form, which it sends to all members, in which a person may specify the arrangements that he desires to make in connection with his funeral services. While the association makes no specific arrangements for its members, it can, upon request, supply them or their representatives with information as to funeral directors who are willing to handle funeral services for members at specified low prices. However, the organization assumes no responsibility for the services of any funeral director, crematory or cemetery, or for the final disposition of bodily remains.

Section 501(c)(4) of the Code provides, in part, for the exemption of civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare.

An organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community. See section 1.501(c)(4)-1 of the Income Tax Regulations.

The chief purposes of the instant organization are the education of the general public as to the acceptance of simplicity, dignity and economy in funeral arrangements, and the maintenance of a registry for the members in which their wishes are recorded regarding funeral arrangements and the disposition of their bodies after death. It is clear that the educational functions of the organization benefit the community as a whole by informing it of the problems involved in funeral arrangements. Furthermore, the maintenance of the registry is not similar to a business ordinarily carried on for profit, and in view of the nominal cost of membership and the non-exclusiveness of membership, this activity also serves a public purpose by facilitating the completion of decedents' funeral arrangements and the disposition of their remains in accordance with their wishes. Supplying information to members or their representatives as to local funeral directors furnishing low cost funerals is incidental to and in furtherance of the organization's primary social welfare functions.

Therefore, the organization is entitled to exemption from Federal income tax as an organization of the type described in section 501(c)(4) of the Code.

An organization which considers itself within the scope of this Revenue Ruling must, in order to establish exemption under section 501(c)(4) of the Code, file an application on Form 1024, Exemption Application, with the District Director of Internal Revenue for the internal revenue district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.